

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **OCCUPANCY TAX COORDINATION**

DATE: AUGUST 16, 2006

**Committee Members Present:**

Caimano  
Tessier  
Gabriels  
Kenny  
Merlino  
Wm. Thomas  
Haskell

**Others Present:**

Joan Parsons, Commissioner of Administrative  
and Fiscal Services  
Joan Sady, Clerk  
Paul Dusek, County Attorney  
Kate Johnson, Tourism Coordinator  
Vonda Beattie, Sr. Account Clerk, Tourism Dept.  
Elaine Behlmer, Economic Development  
Corporation Warren County  
Representing NYS Association of Fire Chiefs:  
Thomas LaBelle, Executive Director  
See Sign-In Sheet for additional guests  
Maury Thompson, *The Post-Star*  
Carlene A. Ramsey, Sr. Legislative Office  
Specialist

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Mr. Caimano called the meeting to order at 10:06 a.m.

Vonda Beattie, Senior Account Clerk with the Tourism Department, distributed an Agenda packet to each of the Committee members and a copy is on file with the minutes.

Mr. Caimano began his Agenda review with Item 1, Referral from the Finance Committee with regards to a request for sponsorship from NYSAC (New York State Association of Counties) in the amount of \$10,000. He referred to the letter from NYSAC (included with the agenda packet) which explained the Fall 2006 Seminar would be held September 27-29, 2006 at the Fort William Henry Conference Center.

Mr. Kenny said his understanding from the Finance Committee's meeting (August 9, 2006) was that NYSAC's request for sponsorship appeared to qualify for Occupancy Tax funding. He further clarified the Occupancy Tax Funding Guidelines had been applied to NYSAC's request and it was determined NYSAC qualified for \$5,000 in funding. He commented the remaining \$5,000 in requested sponsorship would need to come from the contingency fund.

Motion was made by Mr. Kenny, seconded by Mr. Tessier and carried unanimously to authorize a payment to NYSAC in the amount of \$5,000 as a disbursement of 2005 Occupancy Tax revenues.

Paul Dusek, County Attorney, pointed out the request for funding had come in so close

to the time of the event, he suggested the County waive the standard contract requirement, and the Committee members agreed.

Mr. Stec entered the meeting at 10:07 a.m.

Mr. Caimano announced the discussion of Agenda Item 2, NYS Association of Fire Chiefs' Convention would be held until the end of the meeting. Turning to Agenda Item 3, he noted the Adirondack Theatre Festival had submitted their Summary of 2006 Zip Codes for the Committee's review.

At Agenda Item 4, Occupancy Tax "Event" Funding, Mr. Caimano noted the report had been included with the Agenda packet for informational purposes. He stated he would like a copy of the summary to be provided to Mr. Thompson, reporter for *The Post-Star*.

Mr. Caimano acknowledged Agenda Item 5 concerned the Smith Travel Reports for July 16 through August 5, 2006. Privilege of the floor was extended to Fred Austin, from the Fort William Henry, who pointed out the report verified Warren Counties' numbers were down, as compared to 2005. Specifically, he explained the "RevPAR" was down, although the Daily Rate remained even and the Occupancy Rate was also down.

By comparison, Mr. Austin pointed out that Essex County's numbers were down even more than Warren County. He said he felt the general area was affected, rather than just Warren County.

General discussion ensued.

Mr. Caimano noted Agenda Item 6 was the report on Tourism Promotion Expenses with Paul Kaza Associates. There being no comments or questions regarding the Information Items on the Agenda, Mr. Caimano next turned to Agenda Item 2.

Privilege of the floor was extended to Tom LaBelle, Executive Director for the NYS Association of Fire Chiefs. Mr. LaBelle explained his Board of Directors was anxious to hear what type of proposal the Warren County Occupancy Tax Coordination Committee had to offer him. He said he would consult with the Board later this evening. He stated his Board had met with a number of the exhibitors, and his staff, and it was their vehement belief that moving down the road would be a substantial change for the convention.

Mr. Caimano, as Chairman of the Executive Host Committee (EHC), explained the EHC had met with Mr. LaBelle and reviewed the costs related to the 2006 Convention. He also reported that representatives from the Lake George Forum had delivered a proposal to both the Fire Chiefs and the EHC regarding the use of its facility in 2007. (See the EHC minutes from August 1 and August 8, 2006 for additional information.)

Mr. Caimano acknowledged the Forum's proposal called for an expenditure of \$28,680 for 30,000 square feet (sf), as compared to the tent structure costs of \$250,000+.

Jason Sherry, General Manager of the Lake George Forum, clarified the proposal had included use of the 30,000 sf arena, the meeting rooms and the site, itself. As for the outdoor sf measurements, he said the drawings had been turned over to the Hudson River Local Development Corporation for consultation with Regal Tents as to what size structure would best suit the property.

Mr. Haskell said it was his understanding the function of the Occupancy Tax Coordination Committee was to review the request for funding, and then determine what (if any) level of funding would be appropriate for any given event. He expressed his concern that the discussion had strayed into negotiations.

Mr. Caimano explained he felt it was important for Mr. LaBelle and the Fire Chiefs to fully understand how and why the EHC had referred the Convention site issue to the Occupancy Tax Committee. He pointed out that Warren County had spent over \$260,000 for tent structures for the 2006 Convention, and he did not anticipate the County would be able to offer the same level of funding for the 2007 Convention.

Mr. LaBelle explained the Fire Chiefs had never met with the Occupancy Tax Committee, and he understood it was the EHC that decided on what level of funding to offer.

Mr. Caimano clarified the EHC was an advisory Committee only, and the Occupancy Tax Committee had specific guidelines to follow when evaluating requests for funding.

Mr. Kenny observed the cost for the tents had actually spread over several events in June 2006 (Fire Chiefs , Elvis Festival, Americade and the Tow Truck conventions). Mr. LaBelle said it was his understanding the County had agreed to such expenses, as a trial run for hosting conventions in the area, and determine the types of problems encountered.

Discussion returned to the amount of funding available.

Mr. Caimano read an excerpt from the EHC meeting in November 2005, which indicated the original contract stated "the county was to expend not more than \$50,000... Mr. LaBelle said he believed the commitment was for \$50,000 but there was a commitment above and beyond that to provide the aforementioned resources."

Paul Dusek, County Attorney, verified the original \$50,000 amount was an internal figure, and was sufficient to cover the costs of the more simple tent structures first discussed. However, he reminded everyone that the tent structures later evolved to meet the Fire Chiefs' specific requirements, the expenses increased, and the contract needed to be amended. He said the County had agreed to the higher costs, in

anticipation of sponsorship fees that would offset some of the costs. He acknowledged the sponsorship dollars never did materialize, for a variety of reasons. In addition, Mr. Dusek reminded everyone that the contract clearly stated that either party could walk away from years two and three, on or before September 1, 2006.

Mr. Caimano pointed out that Regal Tent Productions had been working with the Hudson River Local Development Corporation (HRLDC) with regards to the 2007 Convention. Elaine Behlmer, of Economic Development Corporation Warren County, distributed a packet to everyone present and a copy is on file with the minutes.

Mr. Haskell reiterated his concerns that the role of the Occupancy Tax Committee was simply to respond "yeh" or "ney" to funding requests. He said he felt if the Executive Host Committee wanted to recommend the County provide X amount of dollars from the General Fund, that would be a different story. He also acknowledged Mr. Kenny's earlier statement regarding the other June events that had used the tent structures.

Mr. Tessier, as Town of Lake George Supervisor, said he understood the other June Event organizers did not intend to use the tents in 2007. He concurred with Mr. Haskell's comment that this Committee was limited to the \$50,000 maximum funding guidelines. He said he felt anything beyond that amount would be for the Finance Committee and the full Board of Supervisors to decide.

Mr. Kenny read a segment from the Occupancy Tax Handbook, "for the funding of conventions, trade shows, and events the expenditure or commitment to expend such funds shall be subject to approval and further resolution of the Board of Supervisors...the amount to be expended in connection with the contract with the sponsor of a particular convention, trade show, or event, shall be established at the time of review of each request, but shall in no event exceed \$50,000." He said he felt the language had been designed around the fact the County did not have a convention center yet some type of incentive was needed to entice groups to come here. He said the \$50,000 was intended to assist the groups with promotion.

Mr. Kenny suggested that if the local VFW went to Monticello, New York and rented space in the convention center for \$75,000 for three days, he said the City of Monticello would not give the VFW \$50,000 to offset those costs.

Mr. LaBelle countered that "Every community that runs conventions contributes funding towards the events, not unlike this case; it's not usually a check that's written to the organization running the event; and where those funds usually go is to the upkeep of convention space, other infrastructure, security, advertising, etc." Continuing, he said, "They make some sort of financial commitment, internally. If there's some sort of rental fee on top of it, then they inform the organization of such a fee."

Mr. Caimano acknowledged that Warren County had agreed to take the risk of

providing the tents for the benefit of several events, in anticipation of sponsorships to offset some of the costs. As the result of the 2006 conventions, he said, the other organizations had determined they did not want the tents next year. He reiterated that if the sponsorship fees had materialized, he thought the outcome may have been different, but the County would not be able to spend \$260,000 for tents in 2007.

Mr. LaBelle said the proposal from the Forum would include the costs for one tent, in the amount of \$130,000 and the costs for the Forum of \$28,860. He declared the \$50,000 would not even cover 50% of the facility costs.

Mr. Caimano said his main concern was the convention site, itself, and the security and transportation discussions would follow, once a site was located.

Discussion ensued as to the functions of the Executive Host and Occupancy Tax Coordination Committees.

Mr. W. Thomas pointed out that the Fire Chiefs' had expressed a desire to hold the 2007 Convention at the same location as the 2006 Convention. He noted the Occupancy Tax Committee had determined the event qualified for \$50,000 in funding. At this stage, he queried how much additional funding the Fire Chiefs' would require to bring the 2007 Convention back to Warren County.

Mr. W. Thomas recalled that at this same stage, last year, the Fire Chiefs' Association had been quite confident it could find sponsorships to cover the tent costs. He acknowledged the final details came late in the year and sponsorships were no longer viable. He noted that if the parties could come to a workable solution before September 1<sup>st</sup>, then the Fire Chiefs' should have ample time to secure sponsorships.

Mr. LaBelle commented that the Fire Chiefs' had essentially rented the facility from the County for the 2006 Convention. He said his organization simply wanted to rent the same facility for the 2007 Convention, with the same arrangement regarding the sponsorships. However, he expressed his concern that today's meeting would not result in a proposal he could bring back to his Board of Directors.

Mr. Kenny said he would make a motion to authorize a payment of \$50,000 towards the Fire Chiefs' 2007 Convention, but he could not speak to how the County could commit to additional funds, or even where the additional funds would be taken from.

Mr. W. Thomas said he felt the Committee would only create more problems if some sort of solution could not be found today.

Mr. Caimano called for a second to Mr. Kenny's motion. Motion was seconded by Mr. Haskell and carried by unanimous vote to authorize \$50,000 in funding from the 2006 Occupancy Tax Funds be committed to the 2007 New York State Association of Fire Chiefs' Convention.

Responding to Mr. Tessier's question, Mr. Caimano stated the 2006 total expenses came to \$338,402.16 (please refer to the minutes of the OTC meeting of August 8, 2006 and the Fire Chiefs' Expense Report dated 8-2-06).

Mrs. Parsons left the meeting at 10:40 a.m.

Following a brief discussion, Ms. Behlmer reported the Regal Tent Productions quotations showed the 2007 tent expenses would be the same as the 2006 costs, even though the tents would only be up for one week and not one month.

Mr. Caimano acknowledged that if the Fire Chiefs' covered the bulk of the 2007 tent costs (\$200,000+) then any sponsorship monies would go directly to the Fire Chiefs' organization.

Discussion returned to the 2006 total expenditures. [Ms. Beattie distributed a copy of the Fire Chiefs' Expense Report, dated 8-2-06, to all in attendance and a copy is on file with the minutes.] Mr. Tessier observed the Fort William Henry ground fees of \$15,000 was not included on the 8-2-06 report. As the result of further discussion, it was determined that a shorter tent duration would reduce the 2007 security costs and other first-year expenses would not be necessary. The estimated costs are summarized as follows:

\$338,402.16	Fire Chiefs' Expenses Report 9-2-06
<u>+ 15,000.00</u>	Fort Wm. Henry grounds fees
\$353,402.16	
<u>- 225,000.00</u>	Structures
\$128,402.16	
<u>- 10,000.00</u>	Security/First-year Incidental costs
\$118,402.16	Net Difference

Mr. Sherry pointed out the Regal Tent Productions packet from the HRLDC listed three different prices, depending on how long the tents would be set up. Ms. Behlmer explained she had a verbal commitment, via phone conversation, that a shorter set-up duration would not cause the prices to fluctuate.

Mr. Kenny said he understood the Net Difference of \$118,402.16 was based on the assumption the Fire Chiefs' would cover the costs of the structures. Mr. Caimano concurred.

Mr. LaBelle pointed out the Fire Chiefs' would not be able to cover the \$225,000 structures fee.

Mr. Kenny suggested an alternate view as follows:

\$353,402.16	Estimated Costs
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- 50,000.00	Occupancy Tax Funding
\$303,402.16	Net Expense yet to be funded

Mr. Kenny expressed his concerns that the Occupancy Tax Coordination Committee was bound by the \$50,000 funding limitation, and had no other choice to be made.

Mr. Haskell suggested the Committee could make a recommendation to the full Board if the Committee felt the event warranted additional funding.

Responding to questions from various Supervisors, Mr. LaBelle stated the plan for sponsorships had been based on the tents being set-up for a full month, in a highly visible location. He pointed out that if the venue was moved to the Forum, the location was not as visible, and the tents would be set-up for a week, rather than a month. Therefore, he declared the sponsorship packages would be greatly impacted. He noted that his Board of Directors would need to know what Warren County's bottom-line "rental fee" would be for the 2007 Convention. From that, he commented, this Board would compare previous rental fee and services to the proposed 2007 rental fee and services package to make its decision.

General discussion ensued.

Privilege of the floor was extended to John Lemery, of Lemery Greisler, LLC. Mr. Lemery observed the Committee seemed to be preparing to make a recommendation to the full Board. He said he felt the discussion was focused on competing venues for this event; one venue contained 30,000 sf at considerably less money than the other venue. He expressed his concern with the County's involvement in paying for tents at a private venue, and whether or not that would be an appropriate expense for the County to incur out of the General Fund.

Mr. Dusek responded that the General Fund was NOT used in 2006 and he would NOT advise use of the General Fund for future expenditures. He clarified the Occupancy Tax Funds expended in 2006 had actually covered multiple events, and therefore qualified as a legitimate expenditure.

However, Mr. Dusek acknowledged, Mr. Lemery had raised a good question regarding the validity of using the Funds for one single organization. Mr. Dusek further pointed out the disbursement of Occupancy Tax Funds had been evolving over the past couple of years, and the Fire Chiefs' first approached the County at the very early stages of the Occupancy Tax. The current point system was adopted just a few months ago, and the County's approach had become a rather sophisticated review of proposed events, he said.

Continuing, Mr. Dusek explained, the County's current practice would, in-fact, be just as Mr. Haskell suggested earlier, "here's what the Occupancy Tax Funding will be; end of discussion." In his opinion, he said, that would be legal, since the standard form

contract would be applied, and it would be up to the Fire Chiefs' to find whatever their best situation would be.

Mrs. Parsons re-entered the meeting at 11:00 a.m.

In response to Mr. Lemery's question, Mr. Dusek verified the funds would come from the Occupancy Tax Funds and NOT the General Fund.

As for Mr. LaBelle's questions, Mr. Dusek verified the Occupancy Tax Funding limit had been established at \$50,000 per event. He noted that anything beyond that amount would need to be approved by the full Board of Supervisors.

Mr. LaBelle queried how long the \$50,000 limitation had been in place.

Mr. Caimano responded the \$50,000 limitation had been in place since 2005, when the County first spoke with the Fire Chiefs'.

Privilege of the floor was extended to Natalie Whitton, of Site Solutions Worldwide, who explained her firm helped plan conventions all over the world. She noted that each of the municipalities would offer a variety of incentives to the convention organizers, based upon what they perceived the value of a particular convention would be to their particular area. Generally, she noted, the municipality's bid for the convention would include a specific convention venue, along with what services would be provided, although the municipality's financial contribution would seldom become public knowledge. She mentioned the Fire Chiefs' had originally been told there would be tent structures available for their use. She said she felt the \$50,000 figure was becoming skewed somehow.

Mr. LaBelle pointed out the County had provided the Fire Chiefs' with certain services in 2006. He said he felt the Fire Chiefs' had no reason to believe such services would not be available in 2007. He commented that his organization would need to know exactly what the County could provide for 2007 before it could make its decision.

Mr. Dusek observed that a number of statements had been made that were causing him some concern. He said he was concerned with Mr. LaBelle's comment that the Fire Chiefs's did not anticipate things would change in 2007. Mr. Dusek further commented, "With all due respect to Mr. LaBelle, the contract clearly stated that either party, for economic reasons, could change things." He explained that Warren County had overwritten the \$50,000 limit for 2006, in anticipation of sponsorship revenues coming back in to replace some of those additional funds. He pointed out that the 2006 Convention did not deliver the economic benefits that both the County and the Fire Chiefs' had anticipated. He reiterated that the contract had been written with the option for either party to walk away, for that very reason. He observed another factor that had changed since last year was that all the other June events had opted out for 2007, which left only one event, for a shorter period of time.



Mr. Gabriels left the meeting at 11:06 a.m.

Mr. Dusek pointed out the County would need to take action on or before September 1, 2006, or the County would be in breach of the contract.

In response to Mr. LaBelle's questions regarding the funding limit, Mr. Dusek explained this Committee had recommended a standard maximum of \$50,000 per event and the County Board adopted such standard by way of a Board resolution. He noted, the Board had set the standard, and the Board could change (or override) the standard just as it had in 2005 pertaining to the 2006 Fire Chiefs' Convention.

Mr. Kenny acknowledged that everyone present seemed to want the firemen to return in 2007. However, he also noted, other conventions were held in the area, and some brought in more visitors than the Fire Chiefs'. As an example, he stated that Americade had been here for 24 years, routinely drew approximately 20,000+ people, and was only awarded the \$50,000 maximum. He said he felt it would be difficult to award any organization more than the \$50,000.

Mr. Haskell declared that he planned to bring a motion from the floor at the Board meeting, to waive the \$50,000 maximum and allow a total of \$150,000 in Occupancy Tax funding to the 2007 Fire Chiefs' convention. He said he wanted Mr. LaBelle to feel comfortable in reporting such to his Board of Directors.

Mr. Kenny pointed out the revenue anticipated to be available for disbursement in 2007 was approximately \$300,000. He cautioned that Mr. Haskell's proposal would leave only \$150,000 to be divided amongst all the other applicants.

Discussion ensued.

Motion was made by Mr. Haskell and seconded by Mr. Caimano to recommend the Occupancy Tax maximum of \$50,000 per event be "suspended" with regards to the 2007 NYS Association of Fire Chiefs' Convention, and authorize a contract in the amount of \$150,000 for disbursement of 2006 Occupancy Tax revenues.

Mr. Kenny observed that if the County authorized the \$150,000 to the Fire Chiefs', he cautioned that Americade could come in next week and want the other \$150,000. If so, he said, the County might as well cancel every other event sponsored with Occupancy Tax revenue.

Mr. Tessier said he was concerned about taking all of the \$150,000 out of the Occupancy Tax funds.

Mr. Caimano polled the rest of the Committee members. Mr. Gabriels said he was in favor of the motion. Mr. Merlino acknowledged he was a new member of the Committee, yet he felt the County had committed to the Fire Chiefs' Convention. He

said he felt the County should work with them for at least one more year, if the County really wanted to enter into the convention business. Mr. W. Thomas said he would feel more comfortable with the motion if Mr. LaBelle could give some indication that such a proposal would work for the Fire Chiefs'.

Mr. LaBelle clarified the Fire Chiefs' were looking for the same resources afforded to them this year. He pointed out there still a lot of expenses not clarified, and the Fire Chiefs' may need to make other cuts to save some of the other costs.

Mr. W. Thomas left the meeting at 11:15 a.m.

Discussion ensued.

Mr. Austin pointed out that a number of motorcycle vendors were very glad to have the tents available during Americade. Mrs. Morin commented the grounds at the Fort Wm. Henry were private grounds, available for private use. She agreed that the motorcycle vendors did not pay for the use of the tents, but, she pointed out, the vendors had not been asked to contribute. She noted that only Americade had been approached, not the particular vendors.

Responding to Mr. Sherry's question, Mr. Caimano verified the motion was for \$150,000, and it would be up to the Fire Chiefs' to decide which of the two venues was selected.

Mr. Caimano called the question and the motion was carried by majority vote, with Mr. Kenny opposed, to recommend the Occupancy Tax maximum of \$50,000 per event be "suspended" with regards to the 2007 NYS Association of Fire Chiefs' Convention, and to authorize a contract in the amount of \$150,000 for disbursement of 2006 Occupancy Tax revenues.

Mr. Caimano invited Mr. LaBelle to attend the Board meeting on Friday, August 18, 2006, at 10:00 a.m.

There being no further business to come before the Committee, on motion by Mr. Tessier, and seconded by Mr. Haskell, Mr. Caimano adjourned the meeting at 11:18 a.m.

Respectfully submitted,  
Carlene A. Ramsey, Sr. Legislative Office Specialist